



Dec. 8, 2015

Dear Gov. Brownback and Members of the Kansas Legislature,

Kansas' severe and growing budget crisis recently prompted legislators to pay a consultant \$2.6 million in hopes of finding more savings and efficiencies.

Yet for two years, Kansas has ignored a policy decision that could be saving the state millions of dollars right now, while providing more than 150,000 uninsured Kansans health coverage: KanCare expansion.

In those two years, our state has given up more than \$850 million in federal tax dollars by not expanding KanCare. The Kansas Division of the Budget projects Kansas will forfeit \$8.6 billion over the next 10 years if legislators continue to simply say 'no' to expanding KanCare.

Thirty states and the District of Columbia already have expanded their programs. Kansas officials could learn from them, perhaps choosing the best from the various approaches to craft a Kansas-based solution.

States that have expanded are seeing big budgetary savings without reducing services. An [analysis by Manatt Health Solutions](#) commissioned for the Kansas Grantmakers in Health points to a number of areas where our state's budget would realize annual savings by expanding KanCare. Kansas already spends millions from its state treasury for providing critical services to the uninsured. With KanCare expansion many of these individuals will gain coverage and the services can be funded with federal rather than state funds. Kansas could expect to save much of what it currently spends, including up to:

- \$75.3 million that Kansas spends annually for mental and behavioral health care.
- \$28.9 million that Kansas spends each year to reimburse hospitals and clinics for the uncompensated care they provide.
- \$9.3 million that Kansas spends annually for medical services to prison inmates.
- \$4.1 million that Kansas spends each year for the MediKan program.

Data from eight states that expanded their programs show they realized \$1.8 billion in budget savings and revenue gains in similar areas in less than two years.

The potential benefit to the state budget alone indicates that legislators can no longer afford to simply say ‘no’ to KanCare expansion. We call upon legislators to give KanCare expansion serious consideration and an open debate, allowing diverse opinions a chance to be heard in committee and on the chamber floors.

There are many other reasons legislators should seek a Kansas-based solution for KanCare expansion:

KanCare expansion would help stimulate the economy and create thousands of jobs. Accepting the billions of dollars in federal funds available for Kansas would have a multiplier effect as the money rippled throughout the economy, meaning more spending, more business activity, new jobs, higher personal income and increased state tax revenue. A recent study by George Washington University found that expanding KanCare would create 3,500 – 4,000 new jobs in the next five years. If elected officials hold job creation as a primary goal, KanCare expansion deserves serious consideration.

KanCare expansion could help control health insurance costs. Without KanCare expansion, the state’s uninsured will continue to forego necessary health care or seek it in the most expensive place — the emergency room. So long as thousands of working Kansans remain uninsured, the health care they inevitably need but cannot afford ends up raising the costs of health care for others in the state — employers, hospitals, local governments, and privately insured individuals and families. If policymakers want to help control health care costs, they cannot simply say ‘no’ to KanCare expansion.

KanCare expansion would help mitigate the strain on rural hospitals in Kansas. When Mercy Hospital in Independence closed in October, thousands of people lost nearby access to emergency care, surgery, and other health care services; 190 people lost jobs. Effects of the closure are felt throughout the community. If legislators want to do all they can to prevent more rural hospital closings, they must consider KanCare expansion.

KanCare expansion would offer a hand up to Kansas citizens in need. More than 150,000 uninsured citizens don’t make enough money to afford quality health insurance but have incomes that are too high to qualify for KanCare. These are friends, neighbors, and other fellow Kansans, most of whom work in jobs like farming, retail, and the service industry. Among them are about 7,000 uninsured veterans and their families. These families are stuck in the middle with no affordable insurance options. Kansas officials owe these hardworking families serious consideration of KanCare expansion.

KanCare expansion can be a Kansas-based solution. Each state that expands its program can tailor it to the state’s particular needs. Among the features Kansas could draw on are requirements that beneficiaries share the costs of premiums and out-of-pocket expenses, incentives for healthy behaviors, and linking coverage to job training for those who might need it. KanCare expansion also could include an off-ramp in the event federal funding was reduced. And the coverage afforded to thousands of Kansas families would come from the private insurance companies already hired by the state to run KanCare.

There is plenty of evidence that expansion is a win-win for states — it saves state budgets money and injects millions into state economies, while providing health coverage to thousands of citizens. Many

of the states that have embraced expansion are led by Republican governors and conservative legislatures. If they can find state-based solutions, so can Kansas.

The Kansas Grantmakers in Health are convinced that expanding KanCare would mean a healthier Kansas.

We call upon legislators to give KanCare expansion serious consideration and an open debate.

Sincerely,

The Kansas Grantmakers in Health member foundations



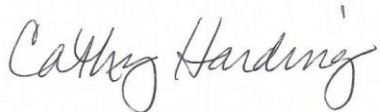
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President and CEO, Sunflower Foundation



Brenda Sharpe
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Bridget McCandless, M.D.
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Cathy Harding
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President and CEO, Kansas Health Foundation

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